

June 10, 2005

## **Action of Osaka District Public Prosecutors Office Regarding Compliance in**

### **OAP Residence Tower Sales**

While Mitsubishi Estate Co., Ltd. (MEC) as well as its executives and employees have been referred to the Osaka District Public Prosecutors Office regarding suspicion of violating the Building Lots and Buildings Transaction Business Law in connection with the sale of condominiums at OAP Residence Tower (Kita Ward, Osaka), the Public Prosecutors Office has ruled to suspend the indictment today.

MEC takes this ruling very seriously, and at the same time wishes to convey its most sincere apologies for the troubles and concerns caused by this occurrence to all OAP Residence Tower condominium purchasers, associated businesses, stockholders and concerned parties. Based on the memorandum of confirmation recently agreed on with the Owner's Management Association [of OAP Residence Tower], MEC shall focus all efforts on resolving this matter, such efforts to include continuing earnest discussions with condominium purchasers.

As a measure to prevent similar incidents from recurring, MEC has already established the "Property Condition Disclosure Review Committee", which shall from time to time review the points that need to be brought to our attention in preparing the contractual documents and legally required statements of explanation on important items, and shall ensure that these matters are thoroughly executed properly. Furthermore, for the purpose of providing careful reconsideration of the compliance system from an objective viewpoint and to strengthen the enforcement thereof, the "Compliance Advisory Committee" is to be newly established and become operational in July of this year. This advisory committee will invite knowledgeable professionals from outside the company as members, and be under the direct supervision of the President. MEC is committed to thoroughly conducting business operations from the perspective of the clients even more than before, including adopting the afore-said measures; MEC is also committed to enforcing company-wide awareness to prevent the recurrence of similar incidents, and fulfilling its social responsibilities as a corporate citizen.